

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**  
**BOND FINANCING PROGRAM**  
**Meeting Date: August 27, 2008**  
*Request for Final Resolution and*  
*Assistance from the Small Business Assistance Fund and*  
*Request for Tax-Exempt Bond Allocation Approval*

Prepared by: *Doreen Smith*

<b>Applicant:</b>	Upper Valley Disposal Service, Inc. and/or its Affiliates	<b>Amount Requested:</b>	\$4,235,000
		<b>Application No.:</b>	00810(SB)
		<b>Final Resolution No.:</b>	00483
<b>Project</b>	St. Helena & Calistoga	<b>Allocation Resolution No.:</b>	08-0034-01
<b>Location:</b>	(Napa County) Clear Lake & Lower Lake (Lake County)	<b>Prior Actions:</b>	IR 08-04 Approved 04/23/08

**Summary of Request:** Upper Valley Disposal Service, Inc. and/or its Affiliates (the “Company”) requests approval of a Final Resolution and a Volume Cap Allocation Resolution for an amount not to exceed \$4,235,000 to finance construction, and to purchase vehicles and equipment. The Company is a small business and is also requesting up to \$197,760 of assistance from the Small Business Assistance Fund (SBAF). The Company provides refuse and disposal services in Lake and Napa Counties. The Company anticipates that the project will provide waste diversion, air quality, water quality and recycling benefits.

**Borrower:** The Company incorporated in Napa on July 19, 1991.

The principal stockholders of the Company are as follows:

Marvin Pestoni.....	50%
Bob Pestoni.....	50%
<b>Total:.....</b>	<b>100%</b>

The following companies are related to Upper Valley Disposal Service through common ownership: Clover Flat Landfill, Inc.; Pestoni Brothers, LLC; Pestoni Leasing; Pestoni Ranch; Quackenbush Mountain Resource and Recovery Compost Facility, LLC; Rutherford Grove Winery; South Lake Refuse & Recycling, LLC; Upper Valley Recycling; Vista Corporation; and Whitehall Corporation.

**Legal Questionnaire:** Staff has reviewed the Company’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

**TEFRA:** The TEFRA hearing was held on April 24, 2008. There were no comments received in support of or in opposition to this Project.

**SBAF Assistance:** The Company is a small business eligible for assistance from the SBAF in an amount not to exceed \$197,760.

**Prior Actions and Financings:** Prior actions and financings are listed below.

<b>Description</b>	<b>Date of Bond Issue</b>	<b>Original Amount</b>	<b>Amount Outstanding as of August 15, 2008</b>
South Lake Refuse & Recycling, LLC	10/22/02	<u>\$6,750,000</u>	<u>\$3,800,000</u>

**Project Description:**

The Company plans to rehabilitate and improve its St. Helena MRF, including the addition of a wash rack and metal canopy. The Company intends to install a construction and demolition (C&D) debris recycling operation at its Calistoga landfill. Additionally, the Company plans to replace older collection vehicles with CARB-compliant vehicles, and to purchase additional containers, bins and carts for use in its waste collection services.

The anticipated Project and issuance costs are listed below:

Metal canopy on MRF building .....	\$ 291,000
Collection vehicles & containers .....	1,000,000
Wash rack.....	83,000
C&D processing equipment.....	2,700,000
Bond issuance expenses.....	<u>161,000</u>
<b>Total: .....</b>	<b><u>\$4,235,000</u></b>

*Note: The Project costs reported in the Borrower’s application and shown here in staff’s report are estimated costs. At the time this financing closes, the estimated Project costs will be finalized and stated in the Tax Certificate. Variations from the costs shown in the application and in this report may occur prior to the closing due to increased costs of certain components of the Project from original estimates, and other reasons. In addition, such costs may vary after closing due also to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in law or regulation or for other reasons. However, the Borrower confirms, through submission of a signed application and will confirm through covenants and representations in various bond documents, that all assets purchased with bond proceeds will qualify for tax exempt financing, that they will be used to complete the Project as described, and that the average life tests required by federal law and described in the Tax Certificate will continue to be met. Tax-exempt financing may be only one source out of multiple sources of financing for a given project.*

**Anticipated Timeline:** The Company began equipment purchases in February 2008 and anticipates completion by August 2010. The improvements to the MRF were started in March 2008. The C&D installation at the landfill has not yet commenced.

**Pollution Control and/or Environmental Benefits:** The Company represents the Project will generate the pollution control and environmental benefits described below.

**Waste Diversion.** The Company anticipates that this project will increase its diversion rate by facilitating the recycling of additional wood, gypsum, metals and related construction and demolition debris.

**Air Quality.** The use of new CARB-compliant diesel collection vehicles will reduce emissions compared to the vehicles currently in use.

**Energy Efficiency.** The new vehicles are anticipated to be more fuel efficient than the vehicles currently in use, which will therefore reduce future fossil fuel consumption.

**Recycling of Commodities.** The C&D operation to be installed at the landfill will increase the Company's ability to recycle debris collected.

**Permitting and Environmental Approvals:** The Company has provided staff with copies of the Solid Waste Facilities Permits for its St. Helena and Calistoga sites.

**Financing Details:** The Company anticipates the issuance of negotiated tax-exempt, weekly reset, variable rate bonds with a term not to exceed 30 years for the qualifying portion of the project. The Company plans to secure the bonds with an irrevocable, direct pay Letter of Credit issued by Comerica Bank that is rated at least "A-" by Fitch Rating Agency or equivalent. The target date for financing is 3<sup>rd</sup> quarter of 2008.

**Financing Team:**

**Underwriter:** Westhoff, Cone & Holmstedt  
**Bond Counsel:** Law Offices of Leslie M. Lava  
**Financial Advisor:** Andrew S. Rose  
**Issuer's Counsel:** Office of the Attorney General

**Staff Recommendation:** Staff recommends approval of Final Resolution No. 483 and Volume Cap Allocation Resolution No. 08-0034-01 for an amount not to exceed \$4,235,000, and a SBAF Resolution in an amount not to exceed \$197,760 for Upper Valley Disposal Services, Inc. and/or its Affiliates.

Final Resolution No. 00483  
Application No. 00810(SB)

FINAL BOND RESOLUTION OF THE  
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
RELATING TO FINANCING FOR  
SOLID WASTE DISPOSAL FACILITIES AND EQUIPMENT  
FOR UPPER VALLEY DISPOSAL SERVICE, INC. AND/OR ITS AFFILIATES

August 27, 2008

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has heretofore approved the application of Upper Valley Disposal Service, Inc. (the “Borrower”), for financial assistance to finance improvements to an existing materials recovery facility, the acquisition and installation of construction and demolition processing equipment, the acquisition of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment functionally related thereto and the acquisition of drop boxes, bins, carts and containers to be used throughout service areas located in cities and unincorporated areas of Napa and Lake Counties, California, and all as more particularly described in the Term Sheet attached hereto as Exhibit A and incorporated herein (the “Term Sheet”) (collectively, the “Project”); and

WHEREAS, the Borrower has requested the Authority to issue its revenue bonds from time to time in an amount not to exceed \$4,235,000 to assist in the financing of the Project; and

WHEREAS, the proceeds of such revenue bonds will be loaned to the Borrower under a loan agreement with the Authority; and

WHEREAS, final approval of the terms of such revenue bonds and certain documents relating to such revenue bonds is now sought; and

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WHEREAS, the Borrower has provided documentation to the Authority demonstrating that the Project has complied with Division 13 (commencing with Section 21000) of the Public Resources Code, or is not a project under that division; and

WHEREAS, in order to enhance the marketability of the bonds, the Borrower has arranged for a financial institution, as named in the Term Sheet, to secure the bonds through the issuance of its direct-pay irrevocable letter of credit, thereby guaranteeing their repayment;

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The Project constitutes a “project” and the Borrower is a “participating party” within the meaning of the California Pollution Control Financing Authority Act (the “Act”).

Section 2. Pursuant to the Act, revenue obligations of the Authority, designated as the “California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Upper Valley Disposal Service, Inc. Project) Series 2008A” (the “Bonds”), or such alternate designation as may be approved by the Executive Director of the Authority, in an aggregate principal amount not to exceed \$4,235,000, are hereby authorized to be issued. The Bonds may be issued at one time, or from time to time, in one or more series separately or differently identified, and may be issued in a tax-exempt or taxable mode, all in accordance with the Indenture (as hereinafter defined) as finally executed. The proceeds of the Bonds shall be used to finance the Project and to pay costs of issuance of the Bonds.

Section 3. The Treasurer of the State of California (the “Treasurer”) is hereby authorized to sell the Bonds, at one time or from time to time before December 31, 2008, by negotiated sale, at such price and at such interest rate or rates and in such mode (taxable or tax-exempt) as he

may determine, such determination to be as set forth in the hereinafter referred to Purchase Contract.

Section 4. The proposed form of loan agreement relating to the Bonds (the “Loan Agreement”), between the Authority and the Borrower, as filed with the Authority prior to this meeting, is hereby approved. The Chairman or any Deputy to the Chairman, together with the Executive Director of the Authority (collectively, the “Authorized Signatories” and each, individually, an “Authorized Signatory”) are hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Borrower the Loan Agreement in substantially the form filed with the Authority, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect the form of credit enhancement for the Bonds) as the officer executing the same, with the advice of the Attorney General of the State of California (the “Attorney General”), may require or approve, and with particular information inserted therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by execution and delivery thereof. The Authority understands and agrees that pursuant to the terms of the Loan Agreement, the obligations of the Borrower may, under some circumstances, be carried out or assumed by a successor or assignee entity, or by an Affiliate of the Borrower. For purposes of this Resolution, an “Affiliate” of the Borrower means any person or entity which meets the definition of “Participating Party” in the Act and controls, is controlled by, or is under common control with, the Borrower, as shown by the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through majority equity ownership, contract or otherwise.

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Section 5. The proposed form of indenture relating to the Bonds (the “Indenture”), between the Authority and a trustee named in the Term Sheet (the “Trustee”), as filed with the Authority prior to this meeting, is hereby approved. The Authorized Signatories are hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Trustee, the Indenture in substantially the form filed with the Authority, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect the form of credit enhancement for the Bonds) as the officer executing the same, with the advice of the Attorney General, may require or approve, and with particular information inserted therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by the execution and delivery thereof. The dates, maturity dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

Section 6. The proposed form of bond purchase contract (the “Purchase Contract”) among the underwriter or underwriters named in the Term Sheet (the “Underwriters”), the Treasurer and the Authority, as agreed to and accepted by the Borrower, as filed with the Authority prior to this meeting or as provided in Section 8, is hereby approved. The Executive Director of the Authority, acting alone, is hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Underwriters, the Purchase Contract in substantially the form filed with or approved by the Authority, with such insertions, deletions or changes therein as the Executive Director of the Authority, with the advice of the Attorney General, may require or approve, and with particular information inserted

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therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The proposed form of official statement (the “Official Statement”) as filed with the Authority prior to this meeting or as provided in Section 8, is hereby approved. Each of the Authorized Signatories, acting alone, is hereby authorized, for and on behalf and in the name of the Authority, to execute and deliver the Official Statement in substantially the form filed with or approved by the Authority, with such insertions, deletions or changes therein as such officer, with the advice of the Attorney General, may approve or require, and with particular information inserted therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriters are hereby authorized to distribute and deliver copies of the Official Statement to purchasers of the Bonds, with such changes therein as may be approved or required by the Attorney General. The distribution of copies of the Official Statement in preliminary form is hereby authorized and approved. Each of the Authorized Signatories, acting alone, is hereby authorized and directed to execute and deliver any amendments or supplements to the Official Statement which include, without limitation, amendments or supplements to the Authority’s disclosure set forth in the form of Official Statement filed with or approved by the Authority, which they may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Bonds.

Section 8. The forms of the Loan Agreement, the Indenture and the Purchase Contract described in Sections 4, 5 and 6 hereof, respectively, shall, if not on file with the Authority, be substantially similar to the 2008 model loan agreement, indenture and purchase contract on file with the Authority; and the form of the Official Statement described in Section 7 hereof shall, if not on file with the Authority, be substantially similar to the Official Statement executed in connection

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with the issuance of the California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Garaventa Enterprises, Inc. Project) Series 2008A; in each case with particular information inserted therein in conformance with the Term Sheet.

Section 9. The Chairman of the Authority is hereby authorized and directed to execute, by manual or facsimile signature, in the name and on behalf of the Authority and under its seal, the Bonds, in one or more series, in an aggregate principal amount not to exceed \$4,235,000, in accordance with the fully executed and delivered Indenture and the form of bond set forth therein.

Section 10. The Bonds, when so executed, shall be delivered to the Trustee under the Indenture for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Bonds, when duly executed and authenticated, to The Depository Trust Company, New York, New York, on behalf of the Underwriters in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory, which instructions said officer is hereby authorized and directed, for and on behalf and in the name of the Authority, to execute and to deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to The Depository Trust Company, on behalf of the Underwriters thereof, upon payment of the purchase price thereof.

Section 11. The Authority hereby dedicates and confirms its allocation to the Bonds issued in a tax-exempt mode (the "Tax-Exempt Bonds") of a portion of its private activity bond limit, as previously received, carried forward or to be received from the California Debt Limit Allocation Committee, in an amount up to the applicable principal amount of Tax-Exempt Bonds

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issued and delivered to finance certain costs of the Project, so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Tax-Exempt Bonds.

Section 12. As requested by the Borrower, the Authority hereby waives the requirement for an in-furtherance certificate relating to the solid waste disposal facilities portion of the Project pursuant to Section 44533(a) of the Act.

Section 13. Each of the Authorized Signatories, acting alone, is hereby authorized and directed, acting alone, to do any and all ministerial acts, including (without limitation) the execution and delivery of any and all documents and certificates, including the tax certificate, they may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Bonds, and otherwise to effectuate the purpose of this resolution. The Treasurer is hereby requested and authorized to take any and all acts within his or her authority as agent for sale that he or she may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Bonds, and otherwise effectuate the purposes of this resolution.

Section 14. This resolution shall take effect immediately upon its passage. The adoption by the Authority of this final resolution for the Borrower shall not be referred to in any application before any government agency as evidence of the feasibility, practicality or suitability of the Project or in any application for any required permission or authority to construct or operate the Project.

**EXHIBIT A**

**TERM SHEET**

<b>Name of Issue:</b>	California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Upper Valley Disposal Service, Inc. Project) Series 2008A (the “Bonds”)
<b>Maximum Amount of Issue:</b>	\$4,235,000 (tax-exempt)
<b>Issuer:</b>	California Pollution Control Financing Authority (the “Authority”), Sacramento, CA
<b>Borrower:</b>	Upper Valley Disposal Service, Inc.
<b>Trustee:</b>	The Bank of New York Trust Company, N.A.
<b>Senior Underwriter or Placement Agent:</b>	Westhoff, Cone & Holmstedt
<b>Bond Counsel:</b>	Leslie M. Lava, Esq. Sausalito, CA
<b>Remarketing Agent:</b>	Westhoff, Cone & Holmstedt
<b>Project:</b>	Finance or refinance (i) improvements to an existing materials recovery facility located at 1285 Whitehall Lane, St. Helena, California 94574 (the “St. Helena Site”), (ii) the acquisition and installation of construction and demolition processing equipment to be located at 4830 Silverado Trail, Calistoga, California 94515 (the “Calistoga Site”), (iii) the acquisition of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment functionally related thereto, all to be located at any or all of the following locations: the St. Helena Site, the Calistoga Site, 15970 Kugelman Street, Lower Lake, California 95457 and 16520 Davis Street, Clear Lake, California 95422, and (iv) and the acquisition of drop boxes, bins, carts and containers to be used throughout service areas located in cities and unincorporated areas of Napa and Lake Counties, California

<b>Maximum Bond Term:</b>	Not to exceed 30 years
<b>Type of Sale:</b>	Negotiated sale
<b>Description of Minimum Denominations:</b>	\$100,000 or any integral multiple of \$5,000 in excess thereof while in variable rate mode
<b>Financing Structure:</b>	Variable rate demand bonds; convertible to fixed rate pursuant to the Indenture
<b>Maximum Interest Rate:</b>	12%
<b>Letter of Credit:</b>	Provided by Comerica Bank
<b>Other Credit Enhancement:</b>	Not applicable
<b>Anticipated Bond Rating:</b>	“A+/F1” (minimum “A-”)
<b>Type of Financing:</b>	Solid waste disposal revenue bonds
<b>Prepared by:</b>	Leslie M. Lava, Esq. (415) 331-6464

**RESOLUTION OF THE CALIFORNIA  
POLLUTION CONTROL FINANCING AUTHORITY  
RELATING TO ASSISTANCE FROM THE SMALL  
BUSINESS ASSISTANCE FUND FOR  
UPPER VALLEY DISPOSAL SERVICE, INC.  
AND/OR ITS AFFILIATES**

August 27, 2008

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has approved the application of Upper Valley Disposal Service, Inc. (the “Borrower”), for financial assistance to finance improvements to an existing materials recovery facility, the acquisition and installation of construction and demolition processing equipment, the acquisition of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment functionally related thereto and the acquisition of drop boxes, bins, carts and containers to be used throughout service areas located in cities and unincorporated areas of Napa and Lake Counties, California, as more particularly described in Application No. 810(SB) of the Borrower (the “Project”) and has adopted its Resolution 483 (the “Final Resolution”) authorizing the issuance of revenue bonds to provide such financial assistance; and

WHEREAS, the Authority has established the Small Business Assistance Fund (the “Fund”) to assist small businesses to obtain pollution control financing through the issuance of tax-exempt revenue bonds (the “Bonds”); and

WHEREAS, the Authority has received and accepted an application from the Borrower for assistance from the Fund; and

WHEREAS, the Borrower has demonstrated a financial capability to make loan payments to the satisfaction of the issuer of a direct pay letter of credit securing the Bonds, as named in the Final Resolution; and

WHEREAS, authorization of assistance from the Fund is now sought;

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The Borrower (as defined in the Final Resolution) is a “Small Business” as classified pursuant to Title 13 Code of Federal Regulations, Part 121, Subpart A (1-1-94 Edition) or it has 500 employees or less, and is otherwise eligible for assistance from the Fund.

Section 2. The Project constitutes a “project” within the meaning of the California Pollution Control Financing Authority Act.

Section 3. The Authority hereby authorizes and approves up to \$197,760 of assistance from the Fund to the Borrower to be used for payment of initial Letter of Credit fees and certain costs of issuance of the Bonds. The actual amount of assistance shall be determined by the Executive Director of the Authority based upon the final terms of the sale of the Bonds.

Section 4. The Executive Director or Deputy Executive Director of the Authority is hereby authorized and directed, jointly and severally, to do any and all ministerial acts and to execute and deliver a contract for financial assistance with the Borrower in conformance with the terms of this resolution, which he or she may deem necessary or advisable in order to provide the assistance from the Fund and otherwise to effect the purposes of this resolution.

Section 5. This resolution shall take effect immediately upon adoption hereof. The adoption by the Authority of this resolution for the Borrower shall not be referred to in any application before any government agency as evidence of the feasibility, practicality or suitability of the Project or in any application for any required permission or authority to construct or operate the Project.

**THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**

**RESOLUTION NO. 08-0034-01**

**A RESOLUTION DEDICATING FOR USE OF A PORTION OF THE 2008 STATE  
CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN  
EXEMPT FACILITY PROJECT**

**WHEREAS**, the California Pollution Control Financing Authority (“CPCFA”) has received an application (“Application”) from **Upper Valley Disposal Services, Inc.** (“Project Sponsor”) for approval of the issuance of revenue bonds; and

**WHEREAS**, on August 27, 2008, CPCFA approved Final Resolution No. 483 (“Final Resolution”) authorizing the issuance of up to \$4,235,000 of its solid waste disposal revenue bonds (Upper Valley Disposal Services, Inc. Project) Series 2008 (“Bonds”); and

**WHEREAS**, in seeking CPCFA approval of the Final Resolution, the Project Sponsor represented certain facts and information concerning the project to CPCFA which were relied upon by CPCFA in approving the Final Resolution; and

**WHEREAS**, the California Debt Limit Allocation Committee (“CDLAC”) has previously transferred to CPCFA a portion of the 2008 State Ceiling on Qualified Private Activity Bonds pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, for use by CPCFA to issue bonds or other obligations in a manner consistent with CDLAC’s policies and procedures. Accordingly, capitalized terms not otherwise defined shall have the meanings ascribed to them in the “Procedures of the California Debt Limit Allocation Committee Implementing the Allocation of State Ceiling on Private Activity Bonds” (“CDLAC Procedures”); and

**WHEREAS**, it is appropriate for CPCFA to confirm the use of a portion of the 2008 State Ceiling on Qualified Private Activity Bonds allocated to CPCFA (“CPCFA Allocation”) to the issuance of the Bonds as set forth in the Final Resolution;

**NOW, THEREFORE**, CPCFA resolves as follows:

**Section 1.** CPCFA Allocation in the amount of **\$4,235,000** is hereby dedicated to the issuance of the Bonds. The dedicated CPCFA Allocation may be used only by the Project Sponsor and only for the issuance of Bonds for the Project, as specifically described in Exhibit A, and consistent with the terms of the Final Resolution. All of the terms and conditions of Exhibit A, and the Final Resolution are incorporated herein as though set forth in full (this resolution, the Final Resolution and Exhibit A, collectively “Resolution”).

**Section 2.** The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds, and the Project Sponsor and all its respective successors and assignees, will be bound by such terms and conditions.

**Section 3.** Any modification to the Project made prior to the issuance of the Bonds must be reported to the Executive Director and shall require reconsideration by the CPCFA before the Allocation may be used for the Project.

**Section 4.** The CPCFA Allocation dedicated by this Resolution shall automatically revert to CPCFA unless the Bonds for the Project have been issued by CPCFA by the close of business on **November 25, 2008**. In a case of extreme hardship, the Executive Director may extend this date by up to five (5) business days.

**Section 5.** Within twenty-four (24) hours of issuing the Bonds, CPCFA shall notify CDLAC by facsimile communication to the fax number listed in Section 24 of the CDLAC Procedures that the Bonds have been issued. This facsimile notice shall identify the Project Sponsor, the project or program, the date and amount of the Bonds issued.

**Section 6.** Within fifteen (15) calendar days of the Bond closing, CPCFA or its counsel shall formally transmit to CDLAC information regarding the issuance of the Bonds by submitting a completed Report of Action Taken in a form prescribed by and made available by CDLAC.

**Section 7.** Any differences between the amount of Bonds issued and the amount of the CPCFA Allocation dedicated in Section 1 of this Resolution shall automatically revert to CPCFA. If at any time prior to the expiration date set forth in Section 7 hereof the Project Sponsor determines that part or all of the CPCFA Allocation dedicated in Section 1 of this Resolution will not be required by the Project by that date, the Project Sponsor shall promptly give notice to CPCFA.

**Section 8.** In consideration of the CPCFA Allocation dedicated in Section 1 of this resolution, the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Further, the Project Sponsor expressly agrees that the terms and conditions of this Resolution may be enforced by CDLAC or CPCFA through an action for specific performance or any other available remedy, provided however, that CDLAC and CPCFA agree not to take such action or enforce any such remedy that would be materially adverse to the interests of Bondholders. In addition, CPCFA shall ensure that the Bond documents, as appropriate, expressly provide that CDLAC is a third party beneficiary of the terms and conditions set forth in this Resolution.

**Section 9.** The Project Sponsor or its successor-in-interest shall provide certifications of compliance with the terms and conditions set forth in this Resolution when reasonably requested by CDLAC or CPCFA.

**Section 10.** This Resolution shall take effect immediately upon its adoption.

**RESOLUTION NO. 08-0034-01**  
**(AN EXEMPT FACILITY PROJECT)**  
**EXHIBIT A**

1. Project Sponsor: Upper Valley Disposal Services, Inc.
2. Application #: 00810(SB)
3. Project User: Upper Valley Disposal Services, Inc.
4. Project Name: Upper Valley Disposal Services, Inc.
5. Location: St. Helena & Calistoga (Napa County)  
Clear Lake & Lower Lake (Lake County)
6. Credit Enhancement or Private Placement Purchaser: Comerica Bank
7. The Credit Enhancement Provider/Private Placement Purchaser at the time of issuance will be the same as represented in the application.
8. Amount of Allocation: \$4,235,000